

WasHungry

Business Plan

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Executive Summary

1.1 Problem

Food often gets wasted for several reasons: What if your refrigerator breaks and you can't get to the grocery store? What if you discover that you bought too much fresh produce and don't have room to store it? Some people have refrigerators but can't keep their food cold. Other people live in a rural community where transportation is limited, and shorter trips into town are necessary.

1.2 Solution

WasHungry is a smartphone App that connects food donors with those in need of food (food donees). Donors post a picture and description of their excess food while specifying what they can provide; then, they either accept a pending request or publicly post it for recipients to select from. Donees/Recipients can either request a specific food item from donors or choose from food already listed.

1.3 Success Factors

WasHungry is uniquely qualified to succeed for several reasons.

- **1.3.1** There are currently no direct competitors that replicate the exact functions of WasHungry. More specifically, there are no apps on the market that allow a user to donate food quickly and directly to another person rather than a third party.
- **1.3.2** Online charitability is growing dramatically.
- **1.3.3** Market trends, such as the growth in smartphone users and mobile app downloads, prove very favorable to WasHungry

1.4 Customer Focus

The target user would be a part-time employed caucasian teenage or middle-aged female, likely with children and/or married.

1.5 Financing

WasHungry is seeking total funding of 42.4k to launch. The capital will include further app development, marketing collateral, website development, and working capital.

Company Overview

2.1 The world faces a food shortage crisis whose magnitude is rivaled only by the ecological catastrophe it portends. Everybody eats food, and with consumption comes waste. It is estimated that 1/3 of global food production or 1.3 billion tons are sent to landfills yearly. And according to the World Health Organization, approximately 2 billion people are moderately or severely food insecure. If you assume that an average meal is 3.5 pounds, food waste could feed 2 billion hungry people nearly 400 times.

2.2 Business Structure

WasHungry is a sole proprietorship and plans to be independently run.

2.3 Business Nature

WasHungry sells a service to two categories of individuals. Donors can quickly get rid of food in a meaningful way, and a donee can receive that free of charge.

2.4 Business Industry

WasHungry is in the donation industry, more specifically, in food donation.

2.5 Vision

Our vision is to help eliminate food waste and world hunger, one plate at a time.

2.6 Mission

From its inception, WasHungry's mission has been to reduce food waste and hunger by allowing users to make better decisions regarding where their food ends up - to those who need it the most.

2.7 Business Objectives

I plan to release WasHungry by Oct. 2022 and have 1M downloads and monthly visits of 250K by May 2023. In the next three years, I expect to add new features such as machine learning to detect freshness and trusted verification to determine need accurately. The app will be available for free, generating revenue from both a donation service and ads displayed within the app itself.

2.8 Team

WasHungry is exclusively led by me, Mohammad Abd-Elmoniem. Despite being my first mobile application business, I have been programming since the age of seven and have been in app development and design since I was 11. Having gained experience in user-centricity through my study of user experience, I believe my knowledge will carry on into the development process. Additionally, being a business administration major in my early academic career and gaining experience in freelancing mobile and web app development, I am no stranger to business principles. I believe that, along with my user experience knowledge and prior business experience, my business will become successful.

Products and Services

3.1 Challenges

3.1.1 Lack of users:

The app depends on several users in nearby proximity, which allows a donor and donee to exchange food. In the early stages, a lack of users will deem the app dysfunctional.

3.1.2 Security:

A food share and donation app pose several security risks. A donor can maliciously alter the content of food or gain information about another individual's location. This may drive user engagement down as safety issues arise.

3.1.3 Speed:

The idea of providing a better solution to discarding excess food revolves around the principle of quickly and efficiently distributing food to those in need. If there is a lack of users, it may take hours for a donor or donee to receive or dispose of food, respectively, in which the users may give up, or food quality may degrade.

3.1.4 Misinformation:

A likely challenge for WasHungry is educating users on the global impact of food waste and poverty and how individuals can impact using WasHungry.

3.2 Solutions

3.1.1 Lack of users:

As previously mentioned in **1.4** a lack of users is one of the major setback of WasHungry. To become profitable, users must be present and spread out across the United States. Because of this I plan on reinvesting the majority of revenue into marketing. Throughout the course of WasHungry as a startup, I plan to experiment on different platforms varying amounts of money to best predict the most effective solution.

3.1.2 Security:

The second major challenge in launching WasHungry is security and earning users' trust. Because of this, WasHungry will launch with an ID verification system to ensure that all members have a verified identity and all transactions can be linked to an individual. Also, users will be given the option not to reveal their location when delivering or receiving food by deciding to meet at a remote location

3.1.3 Speed:

This challenge would primarily be caused by a lack of users so I would implement the same solution as **2.1.1** for this challenge as well.

3.1.4 Misinformation:

There are two categories of individuals we intend to inform. Users that are currently using WasHungry and those whom we intend to recruit. For those who are currently using WasHungry, we intend to implement a loading screen and a daily push notification service with statistics and news on world hunger and food waste and start a public community and blog into the app. As for informing individuals outside of WasHungry, we intend to launch advertising campaigns alongside marketing ads for WasHungry.

App Logistics

When users sign up for WasHungry, they must enter their location, first name, and last name. Then, they will be asked to verify their name by scanning an official ID. Once selected, the user is signed up, they are led straight to their dashboard where they can see their name, statistics, profile settings, and most importantly - give or get food.

If users decide to donate food, they will be taken to a page and prompted to enter the food category, allergy, freshness, and an image of the food they wish to donate. When they tap "continue," users will be taken to a list of outgoing requests made by donees/recipients related to the item a donor wants to donate. If a donor does not find a matching request, they may continue and publicly post the item. Donors will then choose between three delivery methods, donor residence delivery, donee residence delivery, and a third option in which two parties meet at a remote location. The designated delivery method will be visible beside a listed food item.

If a user decides to get or receive food, they will be directed to a list of food publicly posted by donors. When a donee selects a food item on the public list, they will see the food category, allergy information, freshness level, and an attached image. However, if a user does not find what they want, they can request a specific item of food to be filled in by donors.

Depending on the delivery method, a donor will hand off the food to a donee. Both the donor and donee will be asked to review each other based on ethics, timeliness, and the current situation of a donee. This information will weigh into the overall rating of a donee and donor and aid both parties in staying safe and informed on their next meetup.

Donor.



List



Wait



Deliver



Success

Donee.



Browse



Claim



Wait



Success

Industry Analysis

The following industry size facts and statistics bode well for WasHungry.

- The smartphone app development industry in the U.S. will reach an estimated \$9.7 billion in revenues this year.
- Industry developers have capitalized on smartphones' rise over the last five years and quickly produced gaming, entertainment, productivity, and social apps to support U.S. consumers' increasingly smartphone-centric lifestyles. This year, an estimated 138.8 billion app downloads worldwide will take place. The Apple App Store (iOS) offers over 1.2 million apps, while Google Play (Android) houses over 1 million.
- Free downloads are expected to account for 95.5% of total downloads. According to Gartner, in-app purchases are expected to account for 48.2% of total mobile app store revenue. Revenue from advertising is also expected to increase significantly.
- Key drivers include Number of Mobile Devices, % Services Conducted Online, and E-Commerce Activity.

Market Analysis

Market Size

This app is targeted at both those with excess food and those with a food deficit. The human population size grows larger constantly as the population increases. All that needs to be done is to inform individuals that a service like this exists and provide them with a way to use it. Because the human population is growing every second, the market is constantly growing.

Nearly three-fourths of the entire population of the United States donates to charity in some form or another regularly. By the end of last year, 1.4 billion people worldwide donated money to nonprofit organizations. On top of that, food collection and distribution is the top national volunteering activity.

The market is also growing. Overall, giving increased 4% last year, and mobile donations increased by 205%.

The current and potential for WasHungry is inclusive and constantly expanding.

Market Strategy

Demographics:

According to The Bureau of Labor Statistics, Individuals aged 34 to 54 are the most likely to volunteer, and while teenagers aged 16 - 19 are in second, they are continuously growing. Whites continued to volunteer at a higher rate (26.4 percent) than Blacks (19.3 percent), Asians (17.9 percent), and Hispanics (15.5 percent). Among the employed, 27.2 percent volunteered during the year ending in September 2015. By comparison, 23.3 percent of unemployed persons and 21.4 percent of those not in the labor force volunteered. Persons employed part-time were more likely than full-time workers to have participated in volunteer activities—31.1 percent versus 26.3 percent.

By these statistics, the target user would be a part-time employed caucasian teenage or middle-aged female, preferably with children.

Marketing Plan

Brand

The WasHungry brand will focus on the company's unique value proposition:

- Reducing food waste
- Reducing hunger
- Quick donation

Promotion Strategy

Public Relations

We will contact philanthropic, food, and technology sections of newspapers, as well as television stations, and send them a press release describing the opening and unique value proposition of WasHungry.

Search Engine Optimization

WasHungry will develop its website in such a manner as to direct as much traffic from search engines as possible. The original website designer will use knowledge of search engine optimization to orient the website's content towards this end and begin a program of link exchange to move up the search engine rankings (mainly Google). An experienced SEO firm will execute ongoing search engine optimization of this type contracted monthly.

Pay-Per-Click Advertising

Additionally, WasHungry will use highly-focused, specific keywords to draw traffic to its website through text pay-per-click advertising on Google Adwords and banner ads on other appropriate websites (brokered by Google or another ad placement company). Advertisements will target potential clients who will find our content-rich site valuable and applicable to their interests rather than interruptions or distractions.

Email Marketing

WasHungry will publish a monthly email newsletter to tell customers about trends in food and offer other articles and columns of interest to customers. Email addresses will be gathered from users who opt-in when using the website, and the email newsletters will support the brand of the site as an expert in food-related recommendations. In addition, emails presenting exciting new offers or products may be sent as often as once a week to customers who have opted-in to keep them informed of the latest information on the website.

Social Media

Since WasHungry's target demographic typically consists of teenage or middle aged users, WasHungry will primarily target Instagram and Facebook users. The most effective way to reach the target customers is through their social media platforms. We will employ techniques such as persuasive advertisements and celebrity endorsements in order to convince customers to download WasHungry.

Competitors

Direct Competitors

OLIO: OLIO is an app that shares this same vision. Instead of wasting items, give it away to someone who might use it.

Indirect Competitors

Too Good To Go: End Food Waste: Too Good to Go is an indirect competitor as it salvages food not from people, but from grocery stores and local businesses.

Flashfood: Grocery Deals To End Food Waste: Flashfood is a mobile application that is nearly identical to Too Good To Go. Discounts are applied to food nearing the best by date.

At WasHungry, we believe that no one should go hungry when food is wasted. Our mission is to match people who are going hungry with food that would otherwise be thrown away. Our algorithm intelligently matches users to the best available resources near them to get the appropriate care and supplies they need. As a free service, we have no cost to users and strongly encourage all individuals in need - regardless of background, gender, ethnicity, or gender identity - to sign up.

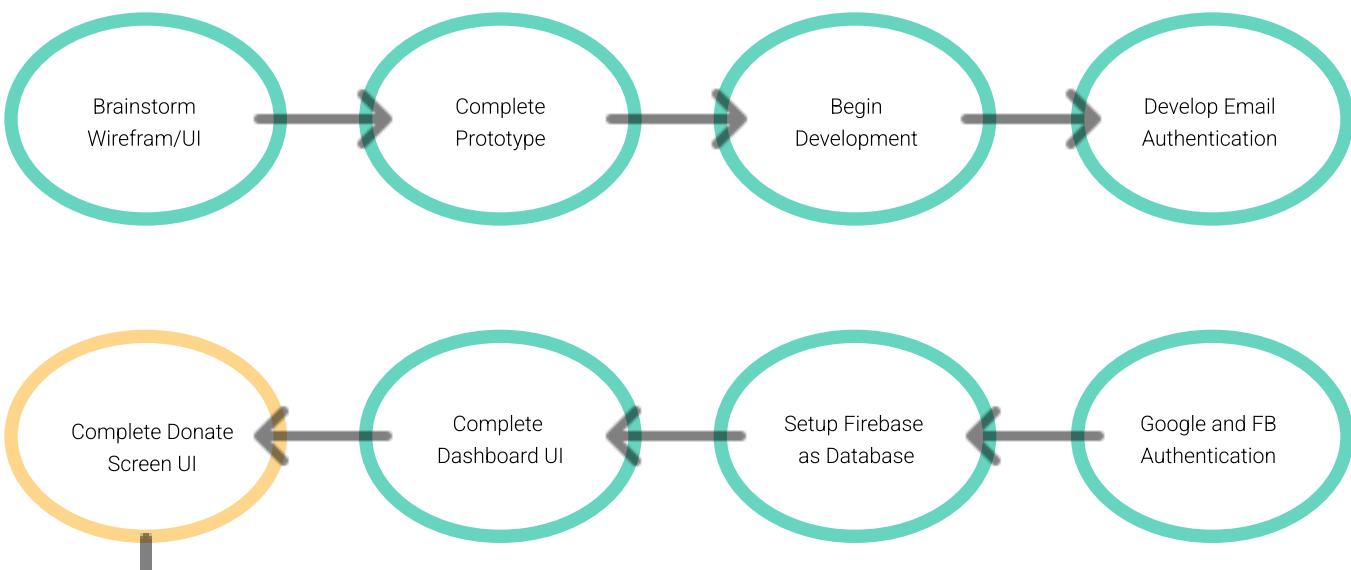
WasHungry manages to make sure that less fortunate people have access to leftovers but prevent abuse of the system. Unlike OLIO, it only allows a certain amount of food a day based on the information users enter on setup and their "need" rating.

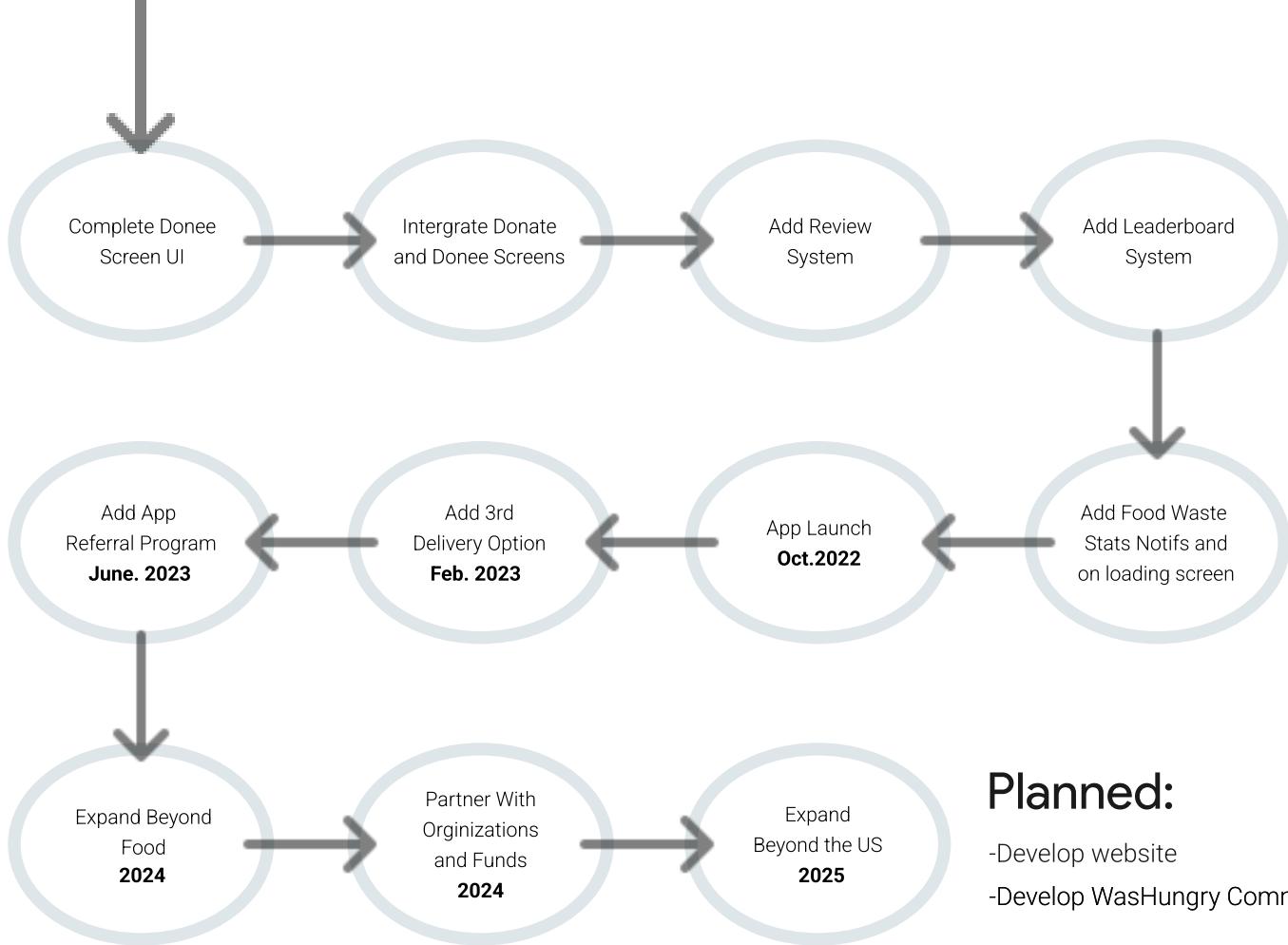
Despite sharing the same goal of reducing food waste, FlashFood and TooGoodToGo are indirect competitors since both apps donate food rather than discard it. However, WasHungry aims to reduce food waste by giving away food for free from neighbors rather than grocery stores.

SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">Quick food delivery/distribution under 45 minutes.Reduces food waste and landfill size.WasHungry stands as a unique alternative compared to traditional food donation apps as the app directs the donor to donee	<ul style="list-style-type: none">High competition in the food market.Not everyone believes in the impact of food waste and hunger.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none">Mobile giving increased 205% last year.Overall giving increased 4% last year.Lack of competitors.	<ul style="list-style-type: none">Foodshare companies can easily implement the concept of an excess food donation.

Development Roadmap





Operations Plan

In order to execute on WasHungry's business model, the Company needs to perform many functions including the following:

- Developing additional application features
- Application maintenance, updates, and bug-fixing
- Ongoing search engine optimization
- Firebase Database Fees
- Google Maps SDK to direct donee and donor
- Salaries for Product Designers, UIX Designers, App Developers, and Accountants

Hiring Plan

- Year 1: No employees
- Year 2: 1 Programmer
- Year 3: 1 Product Designer, 2 Programmers
- Year 4: 1 Product Designer, 1 Accountant, 2 Programmers
- Year 5: 1 Product Designer, 1 UIX Designer, 1 Accountant, 2 Programmers

Financial Highlights

App Development	\$0 (self made)
Logo	\$300
Website domain & Hosting	\$1,400
App Release	\$99
Operations*	\$9,400
Terms and Conditions Draft	\$1,400
Patent Filing	\$5,400
Marketing	\$24,400
Total Initial Funding	\$42,399

Top line projections over the next five years are as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenues	\$230,565	\$453,439	\$800,903	\$1,924,861	\$2,787,291
Total Direct Cost	\$0	\$92,000	\$285,710	\$385,710	\$596,710
Total Operating Expenses	\$11,400	\$110,000	\$310,710	\$420,710	\$636,710
Gross Profit	\$219,165	\$343,000	\$490,193	\$1,504,151	\$2,150,581
EBITDA, EBIT, Pretax	\$219,165	\$343,000	\$490,193	\$1,504,151	\$2,150,581
Income tax expense	\$71,256	\$178,882	\$194,950	\$656,878	\$952,173
Net profit (%)	62.15%	60.55%	61.2%	44.02%	42.99%
Net Income	\$135,742	\$274,557	\$295,243	\$847,273	\$1,198,408